(c) whether the revised procedure takes adequate precaution to ensure that the Indian companies registered in foreign country do not avoid the taxation as has been the practice hitherto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI GINGEE N. RAMACHANDRAN): (a) and (b) No Sir. The provisions of Mutual Agreement Procedure (MAP) to settle bilateral tax disputes by the competent authorities of the treaty partner countries through mutual consultations already exist in the Double Taxation Avoidance Agreement. The Central Government has, however, notified the Rules for making application under the MAP and for implementation of the decisions reached under MAP.

(c) This procedure does not in any way affect the provisions in the law relating to detection/prevention of tax evasion.

Decline in domestic investment

2062. SHRI KARNENDU BHATTACHARJEE: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether the rate of domestic investment has been declining over the years;

(b) if so, the details thereof for the last three years, year-wise and sector-wise; and

(c) the steps proposed to be taken to encourage higher investment in order to achieve higher growth rate?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) to (c) As per the latest available data released by the Central Statistical Organisation, the rates of gross domestic investment for the last three years are as follows:

	1999-2000	2000-01 (P)	2001-02 (Q)
	(as percent of GDP at current market prices)		
Gross domestic Investment*	25.2	24.0	23.7
Public Sector	6.9	6.4	6.3
Private corporate sector	6.5	4.9	4.8
Household sector	10.3	11.2	11.3

* Gross domestic investment denotes gross domestic capital formation adjusted for errors & omissions.

The Government has been conscious of the need for higher investment to accelerate the growth momentum. Recent initiatives by the Government include higher public investment in National Highway Development Project and emphasis on infrastructure development. The scope for private sector participation and investment has also been enlarged in a number of sectors. The Budget 2003-04 has proposed to provide a major thrust to infrastructure, principally to roads, railways, airports and seaports, through innovative funding mechanism. The cost of these projects is estimated at about Rs. 60,000 crore. These initiatives are expected to result in higher growth of investment.

Amendment of Stamp Duty Act

2063. SHRI P. PRABHAKAR REDDY: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether Government propose to amend the Securities Contract Regulation Act, Income Tax Act and Stamp Duty Act, during the current session of Parliament;

(b) if so, the details thereof;

(c) whether the proposed amendments would embrace the recommendations of Justice Kenia Committee Report and if not, the reasons therefor; and

(d) by when, the proposed amended legislature are expected to be put in place?